

# Utah State Building Board



## MEETING

October 16, 2002

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## **MINUTES**

### **Utah State Building Board Members in attendance:**

Keith Stepan, Chair (via telephone)  
Kay Calvert, Vice Chair  
Larry Jardine  
Haze Hunter  
Kerry Casaday  
Manuel Torres  
Lynne Ward

### **DFCM and Guests in attendance:**

Joseph A. Jenkins	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Blake Court	Division of Facilities Construction & Management
Camille Anthony	Department of Administrative Services
Senator Beverly Evans	Legislature
Dennis Geary	College of Eastern Utah
Brent Windley	Utah State University
Dave Cowley	Utah State University
Darrell Hart	Utah State University
Lt. Col. Craig Morgan	Utah National Guard
Glenn Beagle	DNR – Forestry and Fire
Bill Juszczak	UDOT
Richard Maughn	Bridgerland ATC
Richard Jones	Uintah Basin ATC
Bob Askerlund	Salt Lake Community College
Jackie McGill	Spectrum + Bennion
Julee Attig	Jacobsen Construction
RoLynne Christensen	VCBO Architecture
Craige Hall	Weber State University
Greg Stauffer	Southern Utah University

Mike Perez	University of Utah
John Huish	University of Utah
Pieter J. van der Have	University of Utah
Kari Astle	University of Utah
Anne Racer	University of Utah
Greg Peay	Department of Corrections
Dave Morrow	Parks and Recreation
Gary Thorson	Parks and Recreation
Lee Robinson	Utah Schools for the Deaf and Blind
Race Davies	Governor's Office of Planning and Budget
Anna Atwater	Governor's Office of Planning and Budget
Robert Clark	Utah Valley State College
Jim Michaelis	Utah Valley State College
Ken Frank	Public Safety
Stan Plewe	Dixie State College
Gary Adams	Department of Workforce Services
Marlo Wilcox	Department of Workforce Services
Rosemarie Carter	Department of Workforce Services
Stephen Ehninger	AIA Utah
Debra Tanzi	Kitchell Contractors
Kim Wixon	Department of Health

On Wednesday, October 16, 2002, the Utah State Building Board held a regularly scheduled meeting at the Utah State Capitol, Committee Room 129, Salt Lake City, Utah. Vice Chair Kay Calvert called the meeting to order at 9:00 am.

☐ **APPROVAL OF MINUTES OF SEPTEMBER 13, 2002.....**

Vice Chair Calvert sought a motion on the Building Board minutes and joint meeting minutes of the Building Board and Board of Regents.

**MOTION: Manuel Torres moved to approve both meeting minutes of September 13, 2002. The motion was seconded by Larry Jardine and passed unanimously.**

☐ **RECOMMENDATIONS FOR CAPITAL DEVELOPMENT PROJECTS .....**

Kenneth Nye reported on the items the Board asked DFCM to report back on prior to the prioritization process. Mr. Nye referenced the operations and maintenance costs within Higher Education and noted it was included in the Board's consideration due to the Legislature previously passing a law requiring the inclusion in the five-year book. The summary for each project included the projected increase in state funded operations and maintenance. At the last meeting, it appeared the Board was concerned with the variations

in the amounts identified as O&M requests and requested DFCM investigate further. After considerable dialogue with Higher Education institutions, there are still significant variations in the information received and DFCM is not comfortable they have accurate and consistent information. DFCM proposed the Board proceed with their rankings without taking into account the O&M issues and allow DFCM to work further with Higher Education on the O&M amounts. DFCM would return to the Board at the December meeting to clarify those numbers.

Mr. Nye addressed the special statutory requirement for UCAT projects. When the Legislature previously created the Utah College of Applied Technology in a special session, they developed some special requirements which must be met for a UCAT entity to pursue a new facility. Per statute, the Building Board must make a finding that the requirements of the section are met before it may consider a funding request of the Utah College of Applied Technology pertaining to new capital facilities. DFCM counsel defined "making a finding" as the Board hearing testimony or receiving documents demonstrating compliance and then determining the requirement had been met. Mr. Nye felt the Board should concur the requirement is met and address it as a separate motion prior to prioritizing the project. UCAT pursued two requests this year, including the UBATC/USU Vernal Campus which had gone through the effort of demonstrating their compliance with the statute. DFCM agreed the UBATC had met the requirements. President Richard Jones, UBATC, was present to address questions and comments of the Board.

President Jones stated UBATC was in a fairly simplified, rural area and with only UBATC and Utah State University as the available entities. He felt they had been very cognoscente of the requirements of the bill.

**MOTION: Larry Jardine moved that the Building Board found the requirements of the section were met and therefore would consider funding requests of UCAT. The motion was seconded by Haze Hunter and passed unanimously.**

Mr. Nye discussed the Tooele Courts project, which was proposed on a lease purchase basis. The Board requested to confirm the dollar amount of the required increase in Courts budget to cover the debt service and operations and maintenance requirements of the project. Upon further investigation, Courts found there was one budget for operations and maintenance that Courts had failed to include at the hearings. Mr. Nye believed the budget amount was approximately \$25,000, which would reduce the net increase required in their operating budget to deal with this project on a lease purchase basis to approximately \$590,000. The amount previously identified at the hearing was \$614,000 needed to increase their budget.

As the request needed to be appropriated by the Legislature, Lynne Ward suggested the Board rank the project while taking into consideration the financing and funding would be recommended by the Governor to the Legislature for the ultimate decision. If the Governor's office did not recommend the funding for the lease purchase payment, the building itself would also not be recommended due to lack of funds.

Mr. Nye also discussed Archives and stated DFCM is continuing to work on the project to determine if the budget could be reduced further from \$9.3 million. Joseph Jenkins stated there had been some question with the need for the automated retrieval system. DFCM and Archives would meet to discuss the issue further and better define the needed funding. He asked the Board to rank the project, bearing in mind the request may be slightly less when presented to the Legislature. DFCM is also in the midst of preparing a financial comparison of the Rio Grande location, as well as the one on North Temple, as requested by the Legislature.

Since the hearings, further discussion had been held with the primary agencies moving into the regional centers. In St. George, DFCM concluded not to include the Department of Workforce Services in the regional center due to the site identified with the City not being large enough to accommodate the size of building and the parking demands of Workforce Services. Another major consideration is with the Federal government potentially raising some issues with their funding process for DWS and including them may require DFCM to issue part of the bond as a taxable interest rate bond as opposed to tax exempt and may also result in the Federal government claiming equity in the state building. Another reason is that only 15% of the Workforce Service budget comes from state funds so the savings generated would be mostly to the benefit of the Federal government.

DFCM distributed a replacement page for St. George Regional Center reducing the project to 52,500sf at a cost of about \$7.5 million. DFCM is still committed to try to include Workforce Services in regional centers where possible as there is a tremendous benefit to the public to have one place available for services. Approximately \$89,000 was identified as the amount of increase required in the agencies budgets to cover the full amount of the debt service and the operations and maintenance cost. This is an increase over the budgets paid as of June of 2006 under the current leases in effect. As those leases expire and require renewal, DFCM expects the renewals will cost substantially more than \$89,000. They are currently spending approximately \$700,000 in leases and the debt service on the bond, plus the operations and maintenance will be approximately \$788,000 depending on the actual interest rate of the project. DFCM recommended the project to move forward and did not desire postponing the project while trying to find another site in order to accommodate Workforce Services. A smaller project has been proposed for prioritization, excluding Workforce Services.

Mr. Hunter expressed concern with building a regional center which would not meet the current demands in order to fit the property. Mr. Nye responded the property identified is a good location for the regional center in the downtown area which will accommodate a building of significant size and bring together 13 separate offices currently in leased space. The Workforce Services component has frequently been kept separate, and the issues with Workforce Services are more than just the size of the property and include the federal equity issues and the financing issues. An approximate 10% expansion is provided for the other agencies and is expected to cover the agencies for approximately ten years. At that time, they would revisit the needs of the building and determine the best way to accommodate the agencies based on the amount of growth. The building could provide for some expansion in the future without dealing with a parking structure, but would not eliminate it from future possibilities.

Mr. Hunter asked if it would be feasible to buy a bigger piece of property outside of the area to prepare for expansion. Joseph Jenkins stated the St. George downtown area is participating in a current redevelopment and therefore local leaders requested the building be built downtown. Mr. Hunter felt they would be facing the growth in Washington County in the future and would require another building. Mr. Nye suggested the growth was expanding from St. George and future growth may be better addressed in a different location.

Mr. Nye stated DFCM also looked further at the Ogden Regional Center and identified several alternatives for occupants of the new regional center, as well as the old regional center. The best option appeared to be to place the current offices of the Division of Children and Family Services, currently housed in the OMC building, into the old regional center and have some of those occupants relocate to the new regional center. In order to accomplish the relocation by the termination date of the lease, the project needs to be authorized this session. Joseph Jenkins added that a final decision has not been made regarding who would go into the buildings, but as agencies were moved out of the existing building, they will then have a 10% vacancy rate at the old building and approximately a 15% vacancy rate in the new building.

Mr. Jenkins asked the Board to decide if they wished to include the two regional centers and the Tooele Court in their rankings. Lynne Ward the GOPB's office preferred the projects in the total list. The capital improvement funding was also considered for ranking within the list. Ms. Ward added that, for the Governor's office purpose, the Capitol building did not need to be ranked due to it being a unique and large project and the State's commitment to move forward. She felt an acknowledgement by the Building Board would be sufficient although the \$25 million would count in the total number. The non-state funded projects would also need to be ranked as well after the state funded priorities.

Vice Chair Calvert reminded the Board that there were four life and safety issue projects proposed at the last meeting including the Utah State University and University of Utah libraries, the Weber State Swenson Gymnasium, and the College of Eastern Utah Fine Arts Complex. Joseph Jenkins added the Archives building was also imperative due to them losing their building after next year.

Vice Chair Calvert sought a motion for the first seven priorities.

**MOTION:** Haze Hunter suggested placing the capital improvement funding, Archives, Utah State University Merrill Library, Dixie State College Health Science Building (programming only), Weber State University Swenson Gymnasium, Southern Utah University Teachers Education Building, and the St. George Regional Center as priorities one through seven. The motion was seconded by Chair Stepan and passed unanimously.

Lynne Ward asked if the costs on the two regional centers were dollars that were contemplated by doing both projects at the same time in order to receive some savings. Mr. Jenkins confirmed there would be some savings and if one project was solely selected, the cost may increase on both projects. Larry Jardine confirmed the St. George Regional Center included the \$7.5 million for the 52000sf location.

**MOTION:** Larry Jardine moved to place the Ogden Regional Center, the Tooele Court Lease/Purchase, the UBATC/USU Vernal Campus, the West Jordan District and Juvenile Court, the National Guard Salt Lake/Davis Readiness Center, the Special Forces Facility Replacement and the University of Utah Marriott Library as priorities seven through 13 respectively. The motion was seconded by Manuel Torres and passed unanimously.

Vice Chair Calvert called for a motion on the remaining eight projects.

**MOTION:** Haze Hunter moved to include the following priorities as the Cedar Court Land Purchase, the UVSC Vineyard School and Alpine Center Purchase, the SLCC Health Science building, the CEU Fine Arts Complex, the Dixie State College Health Sciences Building (full project), the Snow College Classroom Building, the BATC Advanced Technology Building and the DNR Parks Four New Campgrounds respectively. The motion was seconded by Manuel Torres.

Larry Jardine asked if there was a point in separating the Dixie Health Sciences project to allow them to proceed with programming if possible. Stan Plewe, Vice President of College Services Dixie College, felt leaving it separated the way the Board had suggested was appropriate.

**The motion passed unanimously.**

Vice Chair Calvert expressed concern with having ranked the University of Utah Marriott Library as priority fourteen as it was one of the life safety projects as was the CEU Fine Arts Complex. She questioned if the Board wished to reconsider their priority placements.

**MOTION: Manuel Torres moved to place the University of Utah Marriott Library Renovation as priority nine and the College of Eastern Utah Fine Arts Complex as priority ten and move the other projects down accordingly. The motion was seconded by Haze Hunter.**

Chair Stepan stated the University of Utah Library was a seismic issue rather than an infrastructure issue. He was in agreement with the motion to place them as higher priorities.

**The motion passed unanimously.**

The Board moved to the non-state funded projects. Mr. Jenkins stated the Workforce Services new Logan office required authorization as there was no doubt they needed to be able to move into a new building and begin the process. DFCM and DWS have discussed visiting the need for a regional center in Cache County to house DWS and Human Services. He suggested the Board proceed with authorization for Workforce Services bearing in mind they would return prior to the Legislature to propose a Cache County regional center. For this project, DFCM anticipated a revenue bond although the project may need to be done as a condominium type project due to federal requirements.

**MOTION: Larry Jardine moved to approve the non-state funded projects to include the USU Laboratory Animal Research Center Addition, the USU Biology/Natural Resource Building Addition, the Public Safety West Valley Driver License Replacement, DWS New Logan Office (with the understanding of the regional center proposal), and the UDOT Land Purchase for Two Maintenance Stations. The motion was second by Manuel Torres and passed unanimously.**

Vice Chair asked if the Board needed to address the Capitol building. Lynne Ward suggested identifying the project as not ranked.

**MOTION: Manuel Torres moved not to rank the Capitol building funding. The motion was seconded by Haze Hunter.**

The Capitol building was added to the cumulative total column and was identified as not ranked. Kent Beers suggested the Board state they endorsed the project.

**MOTION: Manuel Torres revised the previous motion to include the Capitol building was not ranked, but was endorsed by the Board. The motion was seconded by Haze Hunter and passed unanimously.**

The Board will submit their recommendations to the Governor and the Legislature.

**❑ AUTHORIZATION OF WSU TRACK AND FIELD LOCKER ROOMS.....**

Norm Tarbox, Weber State University, stated the Building Board toured the west side stadium of the football field during their campus visit. Towards the north, underneath the west stadium is a new weight room authorized by the Building Board and the Legislature and was built with non-state funding. In the middle is a new press box and sky suites also non-state funded. To the right of that is a vacant space which is being proposed for a track and field locker room which would also be non-state funded and would cost approximately \$750,000.

WSU initially intended to request authorization from the Building Board as a traditional non-state funded project. Due to the nature of the project, the Board of Regents prohibits WSU from requesting O&M funding for the project which will now be entirely built, operated and maintained with non-state funding, and may be ineligible for capital improvement funding in the future. Due to these commitments from WSU, the project simply needs approval by the Legislature to be delegated to Weber State in its entirety.

Kenneth Nye added WSU simply requested authorization to have the project proceed. The Legislature previously delegated the Building Board the authority to authorize projects if there is no state funds involved with either the upfront project for the design and construction, or with the subsequent operations and maintenance for capital improvements. The project will be handled by DFCM.

Norm Tarbox added the expected O&M expenses for the locker room are \$20,000 for which they have non-state funding. Joseph Jenkins stated the Building Board typically allows any agency, mostly in Higher Education, with similar projects with no state funding involved with the construction or for O&M, to proceed with their projects. It remains state owned facility although other funds are used for the project.



**MOTION:** Haze Hunter moved to approve the Weber State University track and field locker room project. The motion was seconded by Larry Jardine and passed unanimously.

**☐ PROGRAMMING OF WSU SWENSON GYM RENOVATION .....**

Norm Tarbox expressed appreciation for the Board touring the facility and appreciated their shared interest in having the facility renovated. WSU felt the need to be prepared with very definite cost and scope recommendations prior to the Legislative session and therefore wished to proceed with the programming. WSU's interest was willing to pay for the programming cost and would be willing to work with DFCM if the Building Board authorized programming to proceed to identify an architectural firm to perform the programming prior to the start of the 2003 legislative session. The cost of the programming is expected to be less than \$50,000 which would be covered by Weber State.

**MOTION:** Larry Jardine moved to authorize Weber State University to proceed with programming with their own funds. The motion was seconded by Manuel Torres and passed unanimously.

**☐ REPLACEMENT OF DEAF AND BLIND CONNOR STREET FACILITY PLANNING**

Kenneth Nye stated there was a desire to proceed with programming for the facility currently leased on Connor Street for the Schools for the Deaf and Blind. The current facility does not meet their needs and the lease will expire within the next few years. Last year, the Schools for the Deaf and Blind made a request to the Building Board for planning funds. The Building Board supported the request, but it was not funded by the Legislature. The school identified \$50,000 for planning and requested authorization to proceed with planning. Some concerns have been raised regarding their adequately looking at alternative methods of accomplishing the purpose, as opposed to proceeding and trying to program the space to meet their current needs. DFCM therefore recommended the Board require the planning effort include another look at the methodology used to deliver the services. This would likely involve a new building, but would also determine to best way to provide the full extent of services for the schools.

Dr. Lee Robinson, Schools for the Deaf and Blind, stated the school was somewhat under a time crunch because the lease is up in June 2004 and will need time to find a new location if needed. The current lease runs approximately \$300,000 a year. As the programs have grown and are expected to continue to grow, there is a current need for additional space. There are currently five preschool classes housed in the building and there have been suggestions to relocate those classes to local schools and out of the building.

Dr. Robinson was concerned with the time element to determine if it is best to continue or change. An option is available to extend the lease if the facility was adequate; however the School feels the utilities are inadequate. If a new facility is approved, they wished to extend their lease on a year to year basis and would further discuss the issue with their landlord. DFCM believes the current owner would be willing to extend the lease, but the main concern is the current facility does not meet their needs. The planning would be helpful to determine how long to extend the lease and how to plan for a long term solution. Mr. Nye added the lease was a large dollar amount, but the cost per square foot was relatively lower than anywhere else in the market. Joseph Jenkins favored beginning planning, but wished to ensure the planning included remaining in their current location and having the landlord do some improvements.

Kevin Walthers stated the planning efforts should first explore alternative methods for delivering the service and an analysis of the feasibility of moving the program into the school districts served by the program.

**MOTION: Haze Hunter moved to allow the School for the Deaf and Blind to use their \$50,000 for planning. The motion was seconded by Manuel Torres and passed unanimously.**

**☐ AUTHORIZATION OF DWR GREAT SALT LAKE FIELD STATION .....**

Kenneth Nye stated DWR was requesting authorization as a non-state funded project. He stated the funding source was slightly cloudy in a sense of the funding source for a non-state funded project. When the Legislature adopted the statute allowing the Building Board to authorize projects, it was primarily to deal with projects within Higher Education that would be from donated funds or within their auxiliary enterprises that are entirely self supporting and no foreseen need to delay those types of projects waiting for legislative approval. This case pertained to dealing with restricted revenues within the Division of Wildlife Resources. The funding source for the project was fees coming from the brine shrimp fisherman, which would use the revenues to build a building to support research and other programs for the industry. Mr. Nye did not see any concerns with the value of the project or what they were proposing, but questioned whether it is appropriate for the Building Board to approve proceeding at this point or if the Board should add it to the non-state funded list for the Legislature to consider.

Greg Sheehan, Doug Lukes, and Clay Perschon were present from the Division of Wildlife Resources to address the Board's questions. Greg Sheehan stated the Great Salt Lake project is essentially 79 operators working on the Great Salt Lake who are charged an annual fee of \$10,000 per boat to harvest brine shrimp. Over the last ten to 12 years, the industry has become very large to raise approximately \$100 to \$300 million per year. Part

of the commitment made by the Division of Wildlife Resources was when the permit fee was raised to \$10,000 per year/per boat, DWR would use the money on the project to ensure a viable population or sustainability of the brine shrimp, as well as other types of policing efforts to make sure the sustainability of the project. In the last several years, they have not effectively spent the whole \$790,000 and have had some strong lobbyists keeping an eye on their efforts. For several years, they have discussed creating a facility near the lake to help with this cause.

The funding does go into a restricted account of which \$790,000 is accumulated per year on the program and they have been averaging \$550-625,000 per year of expenditures. The appropriation exists within the Legislative Appropriations bill, but because it is restricted account, further clarification is needed as to what the account is allowed.

The proposed project does not require an increase in fees although there has been some discussion regarding increasing the fee again from \$10,000. For that to happen is based on a variety of occurrences at the Legislature and not based on the building.

The building would diminish the O&M expenses accrued from the storage units and vehicle mileage. It would be located on division land located by Farmington Bay and would essentially be a large metal building with large bays to park boats, as well as some laboratory and office space. This is not viewed as a large future O&M expense building and DWR felt they could absorb costs which may arise.

Kevin Walthers was not concerned with the building, but felt when Representative Adair brought this language forward; it was designed to allow for agencies to receive a donation after the legislative session for projects not requiring O&M or capital improvement money in order to build more quickly. He felt this project could have been brought forward any number of years as a non-state funded project, and did not feel there was the urgency to build before January when it could be brought forward to the Legislature again as a non-state funded project. He feared if this piece of statute became seen as a way for restricted fund agencies to go obtain facilities out of season, the statute may be eliminated. He felt the project should be placed for consideration on the non-state funded list.

Greg Sheehan stated it would be desirable if they could have the building up to some level of operation by October 2003. Kenneth Nye believed there would not be a problem of waiting through the legislative cycle and then getting a metal building erected for use by next October.

**MOTION: Haze Hunter move to place the project on the non-state funded list. The motion was seconded by Manuel Torres and passed unanimously.**

❑ **ADMINISTRATIVE REPORT FOR UTAH STATE UNIVERSITY AND UTAH STATE UNIVERSITY .....**

John Huish, University of Utah, reported for the period of August 23, 2002 to September 20, 2002. There were five architect/engineer agreements awarded of which two were for the Nursing Fifth Floor, which has a separate contract for design services for asbestos abatement. One project involved site work at the golf course realignment due to the impact of Trax and another for temporary parking lot off Guardsman Way. An addition research project was also included for the Skaggs Pharmacy building. Also, another contract was included for a separate water irrigation system study for the first phase totaling \$350,000, which was granted to the University by Trax for the replacement, relocation, or removal of an underground reservoir.

Of the three construction contracts awarded for the period, one dealt with state improvement dollars for the fume hood renovation in the Engineering and Mines research laboratories. There was also a project to relocate some greenhouses at the Red Butte garden and arboretum, and a \$275,000 project in Skaggs Pharmacy. The Red Butte Gardens project is a CMGC contract which will be done in packages with the first such portion being for \$32,500 which will be increased accordingly as the project moves along.

**MOTION: Larry Jardine moved to accept the administrative reports of the University of Utah. The motion was seconded by Haze Hunter and passed unanimously.**

Joseph Jenkins asked for the status of the Museum of Natural History. Mr. Huish stated the present facility is in a historic building on President's circle, which was at one time was the University Library until the late 1960's. The aging building lacks space and has some very difficult infrastructure problems. Therefore, a Board has been formed to raise money for a new museum.

Some very early pre-programming and master planning studies have been done to determine a new site for the new building located next to Red Butte Gardens and Arboretum in Research Park. Early estimates placed the scope of the project at around \$60 million. Being a Natural History museum, it has two definite components in the project. One is to provide a building, but the other is to design exhibits which remain current and are adaptable which necessitates the need to have an exhibit designer alongside a programmer and an architect. The University contacted DFCM to take an approach much like was taken with the Capitol renovation project to put out an RFP for program manager to establish project definition. With 3DI's assistance, they issued an RFP and DFCM is preparing that RFP at this time. The Universities biggest concern with the Museum is how to integrate the exhibit portion into the building seamlessly and lends itself to flexibility.

Brent Windley, Utah State University, reported for the period of August 21 to September 18, 2002. There were two professional contracts including one for the guard rails/hand rails throughout the campus. Three of those projects will probably be bid in mid-November. The second contract is for concrete testing for fire lane access routes, which is part of the tunnel project.

One construction contract was for replacement for a 10 megawatt transformer on the north substation. Complete replacement of the transformer needs to be done.

There was one minor addition to the contingency fund for the guard rails/hand rails for the architect's fee.

The current delegated projects had 17 projects completed or near completion. The dedication of the first dam will be October 23 and is currently running without problem. The City of Logan's fire department recently visited the campus to ensure the large fire trucks could use the tunnel project schemes. They were very flattering of the efforts and commended the design and construction oversight teams for their attention to detail.

The engineering building fourth story steel framing is up and they are starting to attach roof structure. The Edith Bowen School is also underway and foundations are in.

**MOTION: Manuel Torres moved to approve the administrative report of Utah State University. The motion was seconded by Larry Jardine and passed unanimously.**

**☐ DELEGATION TO UDOT OF CERTAIN PROJECTS UNDER \$250,000.....**

Joseph Jenkins stated the Board previously discussed UDOT putting some of their projects through their Appropriation Subcommittee instead of through DFCM's due to where their funding is obtained. John Njord, Executive Director of UDOT, requested that some projects less than \$250,000 must be automatically delegated to UDOT under certain circumstances.

Sterling Davis stated UDOT was previously allowed to do work up to \$40,000 with their own state forces without going out to contract, which has since been raised to \$100,000 due to inflation. They were currently asking for \$250,000 to further cover inflation costs. This money is separate from General Fund money and they would like to keep closer tabs on their funding.

Joseph Jenkins stated they must still go through DFCM to ensure the scope is understood, as well as the cost of the project. They also must meet DFCM's building inspection

requirements and other testing requirements along the line, including the inspections in the final approval and allow them to address their own small projects.

Kenneth Nye commented the compelling reasons DFCM thought differentiated UDOT from other entities making the same arguments is due to them being an agency created for the purpose of doing construction. There are a fair number of projects done every year out of funding which are slightly over \$100,000. By raising the limit, UDOT is allowed to address them themselves.

**MOTION: Haze Hunter moved to approve the delegation to UDOT. The project was seconded by Kerry Casaday and passed unanimously.**

Kenneth Nye confirmed the motion included the restrictions as outlined.

**MOTION: Lynne Ward moved that next year, the Board would hear a review of how this has worked out as part of the DFCM recommendation is based on this staffing at the Department. The motion was seconded by Manuel Torres and passed unanimously.**

**☐ ADMINISTRATIVE REPORT FOR DFCM.....**

Kenneth Nye stated the emergency fund report indicated Weber State had a water main break on an 18" primary chilled water line that air conditioned 16 buildings. This occurred in May and the final costs were just recently reported.

Randa Bezzant asked why the Capitol Preservation Board contracts showed up on the DFCM administrative reports. Kenneth Nye responded, while DFCM does not have the authority to manage the project, they are providing administrative support to the Preservation Board for the project. They are tracking their contracts within the computer system so they automatically get generated as part of the report.

The Children's Special Health Care Needs improvements were on the new building. Through the construction process, the building had a number of problems that have never been resolved with the contractor. DFCM therefore determined to fix the problems and then try to resolve issues with the contractor later so they have a functional building.

Haze Hunter noticed a number of contracts awarded are running over budget. He thought they were in a favorable position with the economy to be under budget. Joseph Jenkins stated as they get started, an agency then decides to change scope with their own funds. This is also due to some bad cost estimates.

**☐     UPCOMING VALUE BASED PROCUREMENT SELECTIONS.....**

Larry Jardine will serve on the selection committee for the DHS Washington Youth Corrections – Stage II on January 3, 2003 and the SLCC cafeteria remodel on December 12, 2002.

Manuel Torres will serve on the selection panel for the SUU Eccles Living Learning Center – Stage 1 on November 14 and the Soldier Hollow Golf Course buildings on December 4, 2002.

Haze Hunter will serve on the SUU Braithwaite building rehabilitation and seismic on October 29, 2002.

Kerry Casaday will serve on the selection panel for the University of Utah John A. Moran Eye Center II on October 25, 2002.

**☐     2002-2003 BUILDING BOARD SCHEDULE.....**

**MOTION:     Larry Jardine moved to approve the proposed schedule. The motion was seconded by Lynne Ward and passed unanimously.**

**☐     CONSIDERATION OF SETTLEMENT ON UNIVERSITY OF UTAH HOUSING CONTRACTS .....**

Joe Jenkins brought the Board up to date from claims from contractors against the University of Utah housing project. DFCM had reached a resolution of a claim with Bud Bailey/Mechanical in the amount of \$1,000,000. This will be split evenly between the University of Utah for \$350,000, DFCM for \$350,000, and DPIC, the insurance company for Design West will pay \$350,000 (due to DPIC being apparently unable to collect the \$50,000 deductible) . This must still be presented to the Legislative Management Committee in a special meeting. DFCM required approval from the Board to use \$350,000 out of contingency reserve or project reserve to fulfill the claim.

Another claim by Nelson Trucking was also discussed. The claim may go to mediation or a panel. There is also a smaller claim with Winward Electric which will probably not come to DFCM.

Mr. Jenkins requested \$350,000 out of the contingency reserve fund to fund the claim.

**MOTION:** Haze Hunter moved to allow DFCM to use \$350,000 out of the contingency reserve to fund the claim. The motion was seconded by Manuel Torres and passed unanimously.

**☐ ADJOURNMENT .....**

**MOTION:** Larry Jardine moved to adjourn at 11:20am. The motion was seconded by Kerry Casaday and passed unanimously.

*Minutes prepared by: Shannon Lofgreen*